

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

2010 JAN 20 P 2:29

FILED
JON W. SANFILIPPO
CLERK

UNITED STATES OF AMERICA

Plaintiff,

v.

10-CR-006

Case No. _____

[Title 18 U.S.C. §§ 2 and 1343]

SUJATA SACHDEVA,
aka Sue Sachdeva,

Defendant.

INDICTMENT

THE GRAND JURY CHARGES:

1. Beginning at least by January 2004 and continuing thereafter until December 2009, the exact dates being unknown to the grand jury, in the State and Eastern District of Wisconsin, and elsewhere,

SUJATA SACHDEVA,
also known as Sue Sachdeva,

having devised a scheme to defraud her employer, Koss Corporation (“Koss”), and to obtain money from Koss by means of material false and fraudulent pretenses and representations (the “scheme”), which scheme is more fully described below, did knowingly cause wire communications to be transmitted in interstate commerce for the purpose of executing her scheme.

2. At all times material to this indictment:
 - (a) Sujata Sachdeva, who is also known as Sue Sachdeva, was a resident of Mequon, Wisconsin, and was employed at Koss as its vice president of finance, secretary, and principal accounting officer.
 - (b) Koss was a publicly traded company with its principal executive offices located in Milwaukee, Wisconsin.

The Scheme

3. Sachdeva's scheme to defraud Koss and to obtain money from Koss by means of material false and fraudulent pretenses and representations was essentially as follows:
 - (a) Using her position at Koss, Sachdeva fraudulently authorized and directed numerous wire transfers of funds from accounts maintained by Koss at banks in Chicago, Illinois, to accounts maintained by American Express at banks in New York to pay for purchases Sachdeva had made using American Express credit cards.
 - (b) Sachdeva fraudulently authorized and directed numerous transfers of funds from accounts Koss maintained at banks in Chicago to an account Koss maintained at Park Bank in Milwaukee to fund numerous cashier's checks, which Sachdeva used to pay her personal expenses.
 - (c) Sachdeva issued checks payable to "petty cash" on an account Koss maintained at Park Bank. Sachdeva directed Koss employees to negotiate

these checks and obtain cash, which Sachdeva used to pay her personal expenses.

(d) Sachdeva fraudulently converted traveler's checks, which Koss had purchased for use by its employees who were traveling on Koss-related business, to her personal use and the use of others.

(e) Sachdeva used the money she fraudulently obtained from Koss to purchase personal items including women's clothing, furs, purses, shoes, jewelry, automobiles, china, statues and other household furnishings. Sachdeva also used the money to pay for hotels, airline tickets and other travel expenses for herself and others, to pay for renovations and improvements to her home, and to compensate individuals providing personal services to her and her family.

(f) To conceal her fraud, Sachdeva made, and directed other Koss employees to make, numerous fraudulent entries in Koss's books and records to make it appear that Sachdeva's fraudulent transfers were legitimate business transactions.

(g) Sachdeva concealed, and directed other Koss employees to conceal, her fraudulent transfers, as well as the fraudulent entries in Koss's books and records, from Koss's management and its auditors.

4. As a result of her scheme, Sachdeva fraudulently obtained more than \$31 million from Koss, which she used to purchase personal items and pay for personal expenses.

THE GRAND JURY FURTHER CHARGES:

5. On or about the date indicated, in the State and Eastern District of Wisconsin, and elsewhere,

**SUJATA SACHDEVA,
aka Sue Sachdeva,**

for the purpose of carrying out her scheme and attempting to do so, caused to be transmitted in interstate commerce a wire communication from Koss's principal executive offices in Milwaukee, Wisconsin, to a bank in Chicago, Illinois, at which Koss maintained an account, transferring funds in the indicated amount from Koss's account to an account maintained by American Express at a bank in New York, New York, to pay for personal purchases Sachdeva made using American Express credit cards.

| Count | Date | Amount of wire transfer |
|--------------|--------------------|--------------------------------|
| One | September 4, 2009 | \$250,000 |
| Two | September 10, 2009 | \$760,000 |
| Three | September 17, 2009 | \$600,000 |
| Four | October 22, 2009 | \$618,595 |
| Five | October 27, 2009 | \$400,000 |
| Six | December 15, 2009 | \$350,000 |

All in violation of Title 18, United States Code, Sections 2 and 1343.

Forfeiture Notice

6. Upon conviction of one or more of the wire fraud offenses, in violation of Title 18, United States Code, Section 1343, set forth in Counts One through Six of this Indictment, the Defendant, Sujata Sachdeva, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses. The property to be forfeited includes, but is not limited to:

- a. Real property commonly known as 10710 North Gazebo Hills Parkway, Mequon, Wisconsin 53092;
- b. One 2007 Mercedes Benz E350 bearing VIN WDBUF56X27B081016;
- c. Any and all items of personal property, including clothing, jewelry, art objects, and household items, seized from:
 1. The residence located at 10710 North Gazebo Hills Parkway, Mequon, Wisconsin, on or about December 23, 2009; and
 2. Office suites located at 207 E. Buffalo Street, Suites 503 and 506, Milwaukee, Wisconsin, on or about December 29, 2009;
- d. Any and all items of personal property purchased by the Defendant, Sujata Sachdeva, including clothing, jewelry, art objects, religious statues, and household items, currently in the possession of:

1. East Town Women's Shop, 159 North Broadway Street, Milwaukee, Wisconsin;
 2. Cranston Couture, 250 North Water Street, Milwaukee, Wisconsin;
 3. Zita's Bridal Salon, 211 East Silver Spring Drive, Whitefish Bay, Wisconsin;
 4. Gigi of Mequon, 1550 West Mequon Road, Mequon, Wisconsin; and
 5. Aversa, 5900 North Port Washington Road, Milwaukee, Wisconsin;
- e. One wooden hand-carved door seized from J&K Trucking, 5219 W. Lisbon Avenue, Milwaukee, Wisconsin, on January 15, 2010;
 - f. Any and all vacation ownership interests in the Princeville Ocean Resort Villas project, including the interest having identification number 312221-29AP;
 - g. Any and all profit-sharing payments that the Defendant received from Koss as a result of false and fraudulent entries that she made and caused to be made in Koss's books and records in the course of her above-charged scheme to defraud; and
 - h. A sum of money equal to the proceeds derived from the offenses.

7. If any of the property described above, as a result of any act or omission by a defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third person; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be subdivided without difficulty, the United States of America shall be entitled to forfeiture of substitute property, including but not limited to the following:

- Real property commonly known as 10710 North Gazebo Hills Parkway,
Mequon, Wisconsin 53092,

pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

A TRUE BILL:


FOREPERSON

Dated: Jan 20, 2010


for: JAMES L. SANTELLE
United States Attorney